State of Rhode Island Office of the Health Insurance Commissioner
Health Insurance Advisory Council
Meeting Agenda
September 22, 2015, 4:30 P.M. to 6:00 P.M.
State of Rhode Island Department of Labor and Training
1511 Pontiac Avenue, Building 73-1
Cranston, RI 02920-4407

1. Welcome and Review of June Meeting Minutes

   4:30-4:35

2. RIREACH Consumer Update
   4:35-4:45

3. Summer Update: Legislation, Form and Rate Review, and Affordability Standards
   4:45-5:10

4. 2015-2016 HIAC Schedule
   5:10-5:20

5. OHIC's Strategic Plan
   5:20-5:50

6. Public Comment

   5:50-6:00

Next Meeting

- October 20, 2015, 4:30 P.M. to 6:00 P.M., State of Rhode Island Department of Labor and Training, 1511 Pontiac Avenue, Building 73-1, Cranston, RI 02920-4407

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State of Rhode Island Office of the Health Insurance Commissioner
Health Insurance Advisory Council
Meeting Minutes
June 16, 2015, 4:30 P.M. to 6:00 P.M.
State of Rhode Island Department of Labor and Training
1511 Pontiac Avenue, Building 73-1
Cranston, RI 02920-4407

Attendance

Members

Co-Chair Commissioner Kathleen Hittner, Co-Chair Steve Boyle, David Feeney, Karl Brother, Gregory Allen, Hub Brennan, Rob Cagnetta, Al Kurose, Howard Dulude, Vivian Weisman, Pat Mattingly

Issuers

Neighborhood Health Plan of Rhode Island: Emily Colton
UnitedHealthcare: Kevin Callahan
Blue Cross Blue Shield of Rhode Island: Avital Chatto, Gus Manocchia
Aetna: Ron Souza
Delta Dental of Rhode Island: Kerrie Bennett

State of Rhode Island Office of the Health Insurance Commissioner Staff

Linda Johnson, Sarah Nguyen, Jay Garrett, Cory King

Not in Attendance

Al Charbonneau, Bill Schmiedeknecht, Emmanuel Echevarria, Mike Souza, Tammy Lederer, William Martin, David Mathias, Wendy Mackie, Emmanuel Falck

Minutes

1. Welcome and Review of May Meeting Minutes

Commissioner Hittner and Stephen Boyle called the meeting to order and welcomed all Health Insurance Advisory Council (HIAC) members and others in attendance. The minutes from the May 19, 2015 HIAC meeting were reviewed and approved with the following change: Al Kurose clarified that the statement he made that it was an "open question" as to whether smaller practices could become patient-center medical homes (PCMH) was meant in relation to how PCMH was defined in the Care Transformation Committee's documents. The minutes from May have been amended to reflect this clarification.

2. RIREACH Consumer Update

Liz Killian from RIREACH reported a big reduction in APCD-related calls for April and May. She said RIREACH was seeing an increase in calls related to coverage issues for children with mental and behavioral health issues with a growing trend of denials, where the patient's doctor or therapist feels the child needs more time in intensive treatment but the insurer disagrees and will not cover the treatment.

Liz also reported an increase in calls related to billing issues between HealthSource RI and the insurers. She said many of these issues centered around the re-enrollment period in November. Consumers will think they are enrolled but then do not receive cards, or when they seek medical care the provider tells them they do not have insurance. Rob Cagnetta asked whether it was HealthSource RI or the insurer who was responsible for the error and for communicating with the consumer. Liz was not sure. Hub Brennan asked what percentage of enrollees had this type of problem. Liz did not know and neither did HealthSource RI representative John Cucco, who was present at the meeting.

Rob asked if this had been a problem for anyone in an emergency situation. Liz said that in that case RIREACH staff worked with HSRI and the insurer to resolve the issue promptly and it did not prevent anyone from receiving urgent or emergency care.

3. Legislative Update

With Tarah Provencal at the State House, Sarah Nguyen provided OHIC's legislative update to the Council, highlighting first a bill that would move utilization review from the Department of Health to OHIC. Jay Garrett said it "makes more sense" to have the utilization review programs housed under OHIC and pointed out that both he and Linda Johnson had experience with those programs when they worked at Health. The bill passed out of Senate committee and was slated for a floor vote on Thursday.

Next, Sarah reported on legislation to modify the Blue Cross Direct Pay hearing process, saying a compromise measure had been put forth that would require a hearing only if the proposed overall average rate increase is in excess of 10%. Dr. Hittner reiterated that these hearings are expensive and that OHIC does not want Blue Cross to be subject to hearings that none of the other carriers have to go through. The bill was scheduled to be heard in Senate committee at the same time as this HIAC meeting.

Finally, Sarah reported that ACA conforming legislation had passed out of Senate committee on June 11th but had not yet been scheduled for a floor vote.

4. Rate Review

Sarah reminded the Council and members of the public present that OHIC's Rate Review Public Input Session would take place on Monday, June 22. She said that some high-level summaries were available on the OHIC website and that more detailed information would be posted the next day.

Sarah highlighted the fact that Blue Cross and UnitedHealthcare had filed individual market rates that included broker commissions as a percentage of premiums. Currently, commissions are not offered to brokers for individual market sales. Allowing for these commissions was a question OHIC was "wrestling" with and so she put it forward to the Council, framing the question thusly: Does paying

brokers in the individual market present enough value to consumers to make it appropriate to include it in premiums across the whole market?

Sarah invited John Cucco to share HealthSource RI's perspective. John said that the focus on enrolling more consumers in health coverage was their focus. As HealthSource RI is transitioning away from federal funding, it would mean reduced resources for the agency, particularly in the area of customer service. HealthSource RI feels that individual market brokers could assist with the reduction of resources in customer service.

An extensive discussion among the Council members followed. Stephen Boyle was generally in favor of allowing the commissions, saying that he had advocated for it in the past in his role as Cranston Chamber president. He pointed out the benefits for independent contractor employees who currently do not enjoy the support of working with a broker.

Pat Mattingly asked how much these commissions could impact premiums. Sarah said they had requested more information from the carriers but in the case of United, it represented approximately 1.4% of premiums or $6 per member per month. She said this was comparable to other states that allow individual market broker commissions. Sarah further explained that this was filed as part of the plans' larger administrative costs.

Hub Brennan and other members of Council expressed some concerns and asked many questions for which there were no ready answers: If each carrier has their own commission rate, would that not incentivize the brokers to drive customers toward the carrier with the highest commission? How many individual market consumers in Rhode Island are expected to use the brokers? If fewer consumers than anticipated use the brokers, and fewer commissions are paid out, what happens to the portion of premium dollars collected to pay the brokers?

Karl and Vivian both expressed concerns that this was "end-run" on the part of the insurers, a way to "pad administrative costs" and that more information was needed.

As the discussion wrapped up, John Cucco added HealthSource RI's perspective. He said HealthSource currently works with brokers in the small group market and that about 75% of small group purchasers use a broker, but all small group purchasers pay premiums that include a percentage for broker commissions, whether or not those purchasers use a broker. John said the brokers are knowledgeable and helpful and provide a lot of value to small businesses. While Rhode Island does not have a history of paying commissions to brokers for individual market sales, other states are finding brokers provide a "good channel" for individual market enrollment.

5. Public Comment

Nick Tsiongas asked if the request for individual market broker commissions originated with HealthSource RI or the carriers. OHIC staff answered that UnitedHealthcare originally made the request last year and that both United and Blue Cross made the request this year. It did not originate from OHIC

or HealthSource RI. He then asked if there would be broker incentives for enrolling individuals in Medicaid. OHIC staff replied that there would not.

Broker Joe Sinapi commented that "there's a difference between enrolling and advising" and that compensating brokers for providing services to individual market purchasers would lead to better educated consumers making better choices.

Gus Manocchia of Blue Cross & Blue Shield of Rhode Island said that he is not an expert on broker commissions but that Blue Cross has "never made a dime on the individual market in any given year. We always lose money."

Next Meeting

The next meeting of the Health Insurance Advisory Council will be Tuesday, September 22, 2015 from 4:30 P.M. to 6:00 P.M. at the State of Rhode Island Department of Labor and Training, 1511 Pontiac Avenue, Building 73-1, Cranston, RI 02920-4407.

State of Rhode Island Office of the Health Insurance Commissioner
Health Insurance Advisory Council
Meeting Minutes
May 19, 2015, 4:30 P.M. to 6:00 P.M.
State of Rhode Island Department of Labor and Training
1511 Pontiac Avenue, Building 73-1
Cranston, RI 02920-4407

Attendance

Members

Co-Chair Commissioner Kathleen Hittner, Co-Chair Steve Boyle, David Feeney, Karl Brother, Gregory Allen, Hub Brennan, Rob Cagnetta, Al Charbonneau, Al Kurose, Bill Schmiedeknecht, Howard Dulude, Rob Cagnetta

Issuers

Neighborhood Health Plan of Rhode Island: Emily Colton
Blue Cross Blue Shield of Rhode Island: Megan Dennen, Stacy Paterno
Aetna: Ron Souza

State of Rhode Island Office of the Health Insurance Commissioner Staff

Linda Johnson, Sarah Nguyen, Jay Garrett, Cory King

Not in Attendance

Mike Souza, Tammy Lederer, Emmanuel Echevarria, Pat Mattingly, William Martin, David Mathias, Vivian Weisman, Wendy Mackie, Emmanuel Falck

Minutes

1. Welcome and Review of April Meeting Minutes

Commissioner Hittner and Steve Boyle called the meeting to order and welcomed all Health Insurance Advisory Council (HIAC) members and others in attendance. The minutes from the April 21, 2015 HIAC meeting were reviewed and approved with no changes.

2. Legislative Update

Commissioner Hittner said there was no news to report on legislation monitored by OHIC.

3. Affordability Standards: Care Transformation and Alternative Payment Committees

Sarah Nguyen and Cory King each gave a presentation on the committees convened by OHIC as part of the revised Affordability Standards. The slides from both presentations are available on the OHIC website.

Sarah began with a review of the work of the Care Transformation Committee, which was charged with creating a Care Transformation Plan. The Care Transformation Committee set a target of having "each insurer subject to the Affordability Standards increase the percentage of its primary care network functioning as PCMHs by 5 percentage points compared to the baseline rate calculated by OHIC by September 1, 2015."

The presentation sparked a discussion among Council members about the viability of the PCMH model for small, independent practices with just a few doctors. Karl Brother inquired as to whether or not there was a size requirement for a practice to qualify as a PCMH. There is no requirement for a minimum number of doctors or support staff. Dr. Hub Brennan offered an account of his experience at his own small, independent practice which transitioned to the PCMH model. He stressed the barriers of upfront costs and that he felt a small practice would have a difficult time transitioning without the support of an Independent Physicians Association (IPA) or an Accountable Care Organization (ACO). Dr. Al Kurose said that it was an "open question" as to whether small practices would be able to meet the PCMH criteria [as outlined in OHIC's Care Transformation Committee documents] and "create the kind of cost efficiency that is the ultimate goal."

Commissioner Hittner said she felt that there was a lot of success in transitioning large practices and physicians groups to PCMH and that adding more small practices would be more challenging, but acknowledged that having more ACOs and PCMHs would not fix the health care system on their own.

Other Council members contributed to the discussion with questions and comments relating to the ability of practices to operate as PCMHs independently, how much support practices might need and where they might get it, and the fairness of applying standards to PCMHs of different sizes and structures.

Final comment on the Care Transformation Plan proposed by the committee is due by May 22nd. The plan will then be submitted to the Commissioner for approval, rejection, or modification.

Next, Cory King reported on the work of the Alternative Payment Methodology Committee, charged with creating a plan to develop payment methods that are alternatives to the traditional fee-for-service model. Committee members have reviewed definitions of alternative payment methodologies, target constructs, and supporting activities to advance payment reform. Cory said that the Committee perceived a lot of momentum to spread payment models that promote efficiency and quality of care. There was a particular emphasis on engaging purchasers (employers) in these efforts.

The Alternative Payment Methodologies Committee developed two sets of targets:

1. An Alternative Payment Methodology (APM) Target: Use of alternative payments as a percentage of commercial insured medical spend; and
2. A Non-fee-for-service APM Target: Use of strictly non-fee-for-service alternative payments as a percentage of commercial insured medical spend.

The Alternative Payment Methodology Committee will review and finalize draft recommendations at their next meeting, scheduled for June 18th. The recommendations will then be submitted to the Commissioner for approval, rejection or modification.

Both committees will reconvene in the fall.

4. Form and Rate Review Update

Linda Johnson and Sarah Nguyen reported on proposed rate increases filed by all four major carriers in Rhode Island. The table below was presented to the Council and contains data as of May 15, 2015.

	Individual (EHB Base Rate)			Small Group (EHB Base Rate)			Large Group	
	2015 Approved	2016 Proposed	% Change	2015 Approved	2016 Proposed	% Change	2015 Approved	2016 Proposed
BCBSRI	$330.09	$389.27	17.93%	$368.31	$385.56	4.68%	8.40%	7.30%
United HMO	$298.77	$331.80	11.06%	$379.17	$430.26	13.47%	11.00%	7.10%
United PPO				$383.41	$435.04	13.47%	11.00%	7.10%
NHPRI	$288.99	$320.28	10.83%	$314.95	$315.97	0.32%		
Tufts HMO				$385.56	$404.59	4.94%	5.00%	6.70%
Tufts PPO				$388.75	$409.85	5.43%	5.00%	7.20%

Sarah explained that the rate requests filed were subject to change—OHIC is giving the carriers until June 1 to resubmit rate requests with justifications for changes. After June 1, OHIC will consider all rate requests final and not allow any changes made by the carriers unless changes are requested by OHIC.

OHIC required each carrier to submit a consumer disclosure form. These disclosures were provided to Council members at the meeting.

Rob Cagnetta asked how United HMO could "justify" such a large increase in small group relative to the requested increase in the individual market. Linda stated that there were many factors including plan design and network structure, but Sarah also said it was a "great question" that OHIC would bring to their actuaries.

5. Presentation from Lifespan: Lessons from a Self-Insured Employer

Council member Howard Dulude of Lifespan gave a presentation describing how Lifespan's self-insurance works for their employees. The presentation came at the request of Commissioner Hittner, who said that a lot of smaller groups are talking about self-insuring and that it was "very concerning because they don't necessarily have the infrastructure."

Howard said that Lifespan has been self-insured since 2002 and since then has not had to introduce high deductibles or copays. Lifespan assumes full risk and has not purchased any stop-loss coverage. The company has focused on providing wellness incentives and making weight loss and tobacco cessation programs very accessible to their employees. They also cover all primary care physicians in the entire

state at Tier 1. Howard said the aim was to reduce as many barriers as possible to their employees seeking primary care.

Commissioner Hittner, after the presentation, expressed a concern that smaller companies who cannot implement the types of measures that Lifespan had successfully implemented would attempt to self-insure and no be ready, but that she was also "interested in exploring how we adopt [the types of measures Lifespan has adopted] to apply to the general population."

7. Public Comment

Ted Almon, CEO of Claflin: "It would be laudable if we look at the population of the state as one giant self-insured plan." He recommended that HealthSource RI be used as a tool to allow "all the small group plans to aggregate and take advantage of economies of scale."

Joe Sinapi, Sinapi Insurance: Identified himself as a broker but also said he was speaking "as a consumer." He noted that while "we are seeing some of the lowest cost increases in medical care in decades, carriers are still proposing "double-digit increases in rates." He called for decreases in rates, saying "It can be done… if we have the political will to do it." He acknowledged that rates are only one piece of the puzzle and that "we're on the right track," but felt that if OHIC were to deny any rate increases to the carriers, it would "put pressure on the insurers to then put pressure on providers."

Marti Rosenberg, Providence Plan: Reported that the Health Insurance Small Employer Taskforce had a "great forum and discussion" on May 14, featuring a panel of state leaders including Commissioner Hittner, Director Wallack from HealthSource RI, State Senator Joshua Miller and State Representative Joseph Shekarchi. The topic was "placing the healthcare discussion within the economic development discussion" and "how to make sure we are focused on small businesses with economic development." She thanked the Council and Commissioner Hittner for their support.

OFFICE OF THE
HEALTH INSURANCE COMMISSIONER
STATE OF RHODE ISLAND
AND PROVIDENCE PLANTATIONS

OHIC 2015 Legislative Session Update – Signed Bills
September 2015

Bill Number and Legislative Council Explanation	Bill Sponsor	Recent Activity
H 5046/S 0168 An Act Relating to Insurance – Health Insurance The proposed legislation intends to describe scenarios where reimbursement is required for services performed by a certified registered nurse anesthetist. In addition, the legislation intends to prohibit a group health plan and a health insurance issuer from discriminating with respect to participation under the plan or coverage against any health care provider who is acting within the scope of that provider's license or certification.	Representative McNamara & Senator Doyle	Signed
S 0490A/H 5837A An Act Relating to Insurance – Insurance Coverage for Mental Illness and Substance Abuse The amended bill has been changed to include language: (g) Payors shall rely upon the criteria of the American Society of Addiction Medicine when developing coverage for levels of care for substance use disorder treatment. This language is consistent with the national standards required in UR.	Senator Miller & Representative Serpa	Signed

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OFFICE OF THE
HEALTH INSURANCE COMMISSIONER
STATE OF RHODE ISLAND
AND PROVIDENCE PLANTATIONS

State of Rhode Island Office of the Health Insurance Commissioner
Requested and Approved Summary for 2016 Rates in the Individual, Small Group, and Large Group Markets

The Rhode Island Office of the Health Insurance Commissioner (OHIC) has completed its review of 2016 rates for the individual, small group, and large group markets. This document is a summary of the requested and approved amounts for each insurer by market.

As required by the ACA, OHIC reviews premiums in the **individual and small group** markets by examining the following components:

- The **EHB (Essential Health Benefits) base rate** represents the monthly average rate for a plan with no cost-sharing for a 21-year old for a given insurer in a given market. It is the basis for the rates that will be charged for plans offered by a given insurer in a given market. Essential health benefits are a set of benefits that must be covered by plans, as called for in the Affordable Care Act.
- The **Overall Weighted Average Rate Increase** represents adjustments to reflect the benefits in plans, including modifications to prior year benefits and pricing. This weighted average rate increase represents the average rate that consumers will experience.
- **Plan relativity factors** represent the differences in plan design features among plans for a given insurer in a given market. Plan design features include items such as: benefits, cost sharing (deductibles, co-insurance, and co-payments) and provider network. Plan relativity factors address the differences in rates that carriers can charge based on how similar or alike their plans are to the Essential Health Benefits base rate.
- In the **small group market**, OHIC also reviews the **quarterly effective date projection factor** which represents the expected annualized inflation rate for rates charged to small employers renewing at different points during a year.

In the **large group** market, OHIC reviews the **average expected premium increase** which represents the average expected percentage change in premiums from one year to the next, holding benefits constant, across all employers that are up for renewal within a given market. It is weighted by employer size. This average expected premium increase is comprised of rate factors that are applied to the employer's existing experience.

For more information, please visit http://www.ohic.ri.gov/ohic-formandratereview.php.

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Individual EHB Base Rate Summary | Requested and Approved

The following table depicts the **requested and approved** essential health benefits (EHB) base rates and the key assumptions in their development for the individual (IND) market filed by Blue Cross Blue Shield of Rhode Island (BCBSRI), Neighborhood Health Plan of Rhode Island (NHPRI), and UnitedHealthcare (United) as part of OHIC's 2015 rate review process (for rates effective in 2016). **Shading indicates the approved factor differs from the requested factor.**

	BCBSRI IND		NHPRI IND		United IND	
	Requested	**Approved**	**Requested**	**Approved**	**Requested**	**Approved**
EHB Base Rate	$389.59	$364.44	$320.28	$312.20	$331.80	$311.10
Medical Expense Trend Assumptions						
Hospital Inpatient	3.4%	0.8%	5.7%	5.7%		
Hospital Outpatient	5.1%	4.7%	4.4%	4.4%		
Primary Care	5.4%	4.4%	2.5%	2.5%		
Other Physician	1.7%	0.7%	2.5%	2.5%		
Pharmacy	9.5%	9.5%	10.4%	10.4%		
Capitation	0.0%	0.0%	0.0%	0.0%		
Other Claims Not Categorized	0.0%	0.0%	0.0%	0.0%		
Total Medical Trend	4.5%	3.5%	5.1%	5.1%	5.8%	5.3%
Adjustments to Medical Portion of Premium						
Reinsurance Adjustment	-3.8%	-4.0%	-3.1%	-3.1%	-4.2%	-4.2%
Risk Adjustment	0.0%	0.0%	0.1%	0.1%	0.0%	0.0%
Other Demographic Adjustments	1.7%	0.0%	0.0%	0.0%	0.0%	0.0%
Broker Commissions	0.8%	0.0%	0.0%	0.0%	1.4%	0.0%
HealthSource RI Assessment	5.9%	3.2%	6.0%	4.3%	4.3%	3.0%
Non-Medical Portion of Premium						
Contribution to Reserves	3.0%	3.0%	2.0%	2.0%	1.9%	0.7%
Other Retention Charge					2.1%	1.4%
RI Immunizations and Children's Health Account	1.5%	1.5%	2.0%	1.0%	1.8%	0.9%
EHB Base Rate Increase from 2015	18.0%	10.4%[1]	10.8%	8.0%	11.1%	4.1%
Overall Weighted Average Rate Increase	11.0%	3.8%[2]	8.6%	5.8%	10.2%	2.7%

[1] **These rates are currently the subject of an appeal by the Attorney General and may be subject to change.**
[2] **These rates are currently the subject of an appeal by the Attorney General and may be subject to change.**

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Small Group EHB Base Rate Summary | Requested and Approved

The following table depicts the **requested and approved** essential health benefits (EHB) base rates and the key assumptions in their development for the small group (SG) market filed by BCBSRI, NHPRI, United, and Tufts as part of OHIC's 2015 rate review process (for rates effective in 2016). Tufts and United filed separately for their HMO and PPO plans. **Shading indicates the approved factor differs from the requested factor.**

	BCBSRI SG		NHPRI SG		TUFTS HMO SG		TUFTS PPO SG		UNITED HMO SG		UNITED PPO SG	
	Requested	**Approved**	**Requested**	**Approved**	**Requested**	**Approved**	**Requested**	**Approved**	**Requested**	**Approved**	**Requested**	**Approved**
EHB Base Rate	$385.72	$376.94	$315.97	$320.98	$404.59	$398.13	$409.85	$403.25	$430.26	$406.33	$435.04	$410.85
Medical Expense Trend Assumptions												
Hospital Inpatient	3.4%	0.8%	5.7%	5.7%	3.5%	1.3%	3.5%	1.3%	2.2%	2.2%	2.2%	2.2%
Hospital Outpatient	5.1%	4.7%	4.4%	4.4%	1.7%	1.7%	1.7%	1.7%	6.0%	6.0%	6.0%	6.0%
Primary Care	5.4%	5.4%	2.5%	2.5%	3.0%	3.0%	3.0%	3.0%	4.3%	4.3%	4.3%	4.3%
Other Physician	1.7%	1.7%	2.5%	2.5%	3.5%	3.5%	3.5%	3.5%	4.3%	4.3%	4.3%	4.3%
Pharmacy	9.5%	9.5%	10.4%	10.4%	17.8%	14.8%	17.8%	14.8%	9.5%	9.5%	9.5%	9.5%
Capitation	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	4.7%	4.7%	4.7%	4.7%
Other Claims Not Categorized	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total Medical Trend	4.7%	4.1%	5.1%	5.1%	5.3%	4.4%	6.1%	5.2%	5.4%	5.4%	5.3%	5.3%
Adjustments to Medical Portion of Premium												
Reinsurance Adjustment	0.6%	0.6%	1.0%	1.0%	0.4%	0.4%	0.4%	0.4%	0.0%	0.0%	0.0%	0.0%
Risk Adjustment	0.0%	0.0%	0.1%	0.1%	0.0%	0.0%	0.0%	0.0%	2.9%	0.0%	2.9%	0.0%
Other Demographic Adjustments	1.8%	1.8%	0.0%	0.0%	-0.6%	-0.6%	-0.6%	-0.6%	0.0%	0.0%	0.0%	0.0%
HealthSource RI Assessment	1.3%	0.6%	1.4%	5.0%	1.2%	0.0%	1.2%	0.0%	1.0%	0.1%	1.0%	0.1%
Non-Medical Portion of Premium												
Contribution to Reserves	4.0%	3.34%	2.0%	2.0%	0.0%	0.0%	0.0%	0.0%	3.0%	2.0%	3.0%	2.0%
RI Immunizations and CHA	1.5%	1.5%	2.0%	1.0%	1.25%	1.0%	1.25%	1.0%	1.8%	0.9%	1.8%	0.9%
EHB Base Rate Increase from 2015	4.7%	2.3%	0.3%	1.9%	4.9%	3.3%	5.4%	3.7%	13.5%	7.2%	13.5%	7.2%

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Overall Weighted Average Rate Increase	2.3%	0.0%	0.8%	2.4%	-2.5%	-4.1%	-2.9%	-4.5%	13.5%	7.2%	13.5%	7.2%

Large Group Rate Summary | Requested and Approved

The following table depicts the **requested and approved** average expected premium increases and the key assumptions behind their development as filed by BCBSRI, United, and Tufts in the large group market as part of OHIC's 2015 rate review process (for rates effective in 2016). **Shading indicates the approved factor differs from the requested factor.**

	BCBSRI LG		TUFTS HMO LG		TUFTS PPO LG		UNITED LG	
	Requested	**Approved**	**Requested**	**Approved**	**Requested**	**Approved**	**Requested**	**Approved**
Medical Expense Trend Assumptions								
Hospital Inpatient	4.2%	1.6%	4.9%	2.7%	4.9%	2.7%	3.6%	
Hospital Outpatient	6.0%	5.6%	3.5%	3.5%	3.5%	3.5%	7.5%	
Primary Care	6.3%	6.3%	3.4%	3.4%	3.4%	3.4%	6.0%	
Other Physician	2.5%	2.5%	4.4%	4.4%	4.4%	4.4%	13.4%	
Pharmacy	11.2%	11.2%	20.4%	15.3%	20.4%	15.3%	10.9%	
Capitation	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	5.7%	
Other Claims Not Categorized	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Total Weighted Medical Trend	5.7%	4.9%	6.9%	5.6%	6.9%	5.6%	7.9%	6.5%
Retention Charges Assumption								
Contribution to Reserves	4.0%	3.34%	0.0%	0.0%	0.0%	0.0%	3.0%	2.3%
Expected Average Overall Rate Increase from 2015	7.3%	5.1%	6.7%	6.1%	7.2%	6.6%	7.6%	4.4%

State of Rhode Island Office of the Health Insurance Commissioner
1511 Pontiac Avenue, Building 69-1
Cranston, RI 02920-4407
(401) 462-9517
(401) 462-9645 (Fax)
www.ohic.ri.gov

Updated as of August 14, 2015

Fall 2015 Affordability Standards Committees

Care Transformation Committee	Alternative Payment Methodology Committee
Thursday October 1st: 8am-10am	Thursday October 1st: 8am-10am
Monday October 5th: 8am-11am	Friday October 16th: 8am-11am
Thursday October 22nd: 8am-11am	Thursday November 5th: 8am-11am
Friday November 13th: 8am-11am	Friday November 20th: 8am-11am
Monday November 23rd: 8am-11am	Monday November 30th: 8am-11am

Meeting Location:
Department of Labor and Training (DLT)
1511 Pontiac Avenue, Building 73-1
Cranston, RI 02920

DRAFT Health Insurance Advisory Council Schedule | 2015-2016 | Subject to Change

Month	Monthly Update Topics	Topic 1	Topic 2	Topic 3
September	RIREACH Health Reform Groups (SIM & Gov's Workgroup) Legislative Session Update	Review summer activities: Legislation Form/Rate Review Affordability Standards	2015-2016 HIAC schedule	OHIC's Strategic Plan
October	RIREACH Health Reform Groups (SIM & Gov's Workgroup	Affordability Standards: Update on fall convenings	Purchaser engagement in health care reform initiatives	
November	RIREACH Health Reform Groups (SIM & Gov's Workgroup)	Total Cost of Care Study	APCD Update	Mental Health Parity Market Conduct Exam
December	RIREACH Health Reform Groups (SIM & Gov's Workgroup)	Enrollment Report Presentation	Plan Design Discussion incl. Administrative Simplification	
January	RIREACH Health Reform Groups (SIM & Gov's Workgroup) Legislative Session Update	Primary Care Spend Report	Affordability Standards: 2017 Care Transformation and APM Plans	
February	RIREACH Health Reform Groups (SIM & Gov's Workgroup) Legislative Session Update			
March	RIREACH Health Reform Groups (SIM & Gov's Workgroup) Legislative Session Update	2016 Rate Review Process		
April	RIREACH Health Reform Groups (SIM & Gov's Workgroup) Legislative Session Update	Quarterly Rate Factor Monitoring Report		

Month	Monthly Update Topics	Topic 1	Topic 2	Topic 3
May	RIREACH Health Reform Groups (SIM & Gov's Workgroup) Legislative Session Update			
June	RIREACH Health Reform Groups (SIM & Gov's Workgroup) Legislative Session Update	Form and Rate Review update		

Office of the Health Insurance Commissioner

FY 2016 Strategic Plan

Vision:

The Office of the Health Insurance Commissioner (OHIC) works with other State Agencies to convene public and private sector health care providers and insurers to improve the quality of health of all Rhode Islanders at the best value possible.

Mission:

While ensuring the solvency of health insurers, OHIC will strive to protect consumers, encourage the fair treatment of providers, and work collaboratively with all interested parties to improve the health care system's quality, accessibility, and affordability.

DRAFT as of August 12th, 2015

Office of the Health Insurance Commissioner

- Core Goals:
  - Goal 1: Institutionalize and codify the form and rate review process
  - Goal 2: Develop and enforce regulatory standards for payment reform
  - Goal 3: Develop and enforce regulatory standards for delivery system transformation
  - Goal 4: Reduce medical expense growth rates
  - Goal 5: Guard the solvency of insurers
  - Goal 6: Support continued development and investment in health information technology and informatics
  - Goal 7: Continue to seek grant funding to support OHIC's work on affordability and consumer protection

Office of the Health Insurance Commissioner

- Core Goals (continued)
  - Goal 8: Enhance oversight of insurers by conducting market conduct examinations
  - Goal 9: Focus on Dental programs to promote quality and increase provider and consumer satisfaction
  - Goal 10: Work on a process to make co-pays, coinsurance, and deductibles more transparent and less onerous for consumers
  - Goal 11: Redevelop website to better serve all who use it
  - Goal 12: Annually review OHIC regulations to organize, update, clarify
  - Goal 13: Work collaboratively with other state agencies

Office of the Health Insurance Commissioner

- 2016 Action Items:

GOAL 1: Institutionalize and codify the form and rate review process

- Review previous form and rate review processes with insurers and HSRI to enhance, coordinate, and streamline the process
- Communicate with federal government to ensure compliance with federal law
- Leverage form and rate review process to promote transformation of the health care system
- Staff: Linda Johnson (Operations Manager), Sarah Nguyen (Principal Policy Associate), Emily Maranjian (General Counsel), Maria Casale (Special Projects Coordinator).
- Target Date: January 2016

Office of the Health Insurance Commissioner

- 2016 Action Items:

GOAL 2 : Develop and enforce regulatory standards around payment reform

- Continue to leverage the Affordability Standards (Sec. 10 of Reg. 2) and rate review authority to set targets for insurers to transition medical reimbursement away from the fee for service payment model
- Set multi-year targets for percentage of insured medical payments made through payment models tied to efficiency and quality
- Coordinate targets and activities with Medicaid and align with Medicare.
- Track and publicly report on use of alternative payment models
- Staff: Cory King (Delivery System Analyst), Sarah Nguyen (Principal Policy Associate)
- Target Date: Ongoing

Office of the Health Insurance Commissioner

- 2016 Action Items:

GOAL 3 : Develop and enforce regulatory standards around delivery system transformation

- Achieve goal of having 80% of insurer-contracted primary care providers practicing in a patient centered medical home by the end of 2019
- Enforce OHIC's primary care spend standard (10.7% of medical spend) to ensure that RI has a strong primary care system
- Use the powers of OHIC to improve and expand the all-payer medical home initiative (CTC-RI) and incorporate PCMH-Kids into CTC-RI
- Use CTC-RI to bolster practices for care transformation and payment reform
- Staff: Sarah Nguyen (Principal Policy Associate), Jim Lucht (Informatics Manager)
- Target Date: Ongoing

Office of the Health Insurance Commissioner

- 2016 Action Items:

GOAL 4 : Reduce medical expense growth rates

- Use Affordability Standards to bring insurer price trends for hospital inpatient and outpatient services in line with core inflation by 2019
- Enforce a limitation on increases paid under population-based contracts
- Strategies under Goals 2 & 3 support achievement of goal 4 as well
- Staff: Cory King (Delivery System Analyst), Sarah Nguyen (Principal Policy Associate), Emily Maranjian (General Counsel).
- Target Date: Ongoing

Office of the Health Insurance Commissioner

- 2016 Action Items:

GOAL 5 : Guard the solvency of insurers

- Work closely with colleagues in DBR to monitor insurer financial reports to ensure that health insurers have adequate capital reserves.
- Continue to take solvency considerations into account during the annual rate review process.
- Staff: Kathleen Hittner (Health Insurance Commissioner), Maria Casale (Special Projects Coordinator), Emily Maranjian (General Counsel).

Office of the Health Insurance Commissioner

- 2016 Action Items:

GOAL 6 : Support continued development and investment in health information technology and informatics

- Provide continued support for CurrentCare (the state's health information exchange) through the Affordability Standards
- Help to make "CurrentCare" indispensable to the end users by using influence with the carriers to have financial implications over the use of "CurrentCare"
- Continue to be an active partner and steward of the All Payer Claims Database in order to produce timely and actionable data for policymakers, researchers, and the general public
- Staff: Jim Lucht (Informatics Manager)
- Target Date: January 2016

Office of the Health Insurance Commissioner

- 2016 Action Items

GOAL 7: Continue to seek grant funding to support OHIC's work on affordability and consumer protection

- Explore revenue opportunities to support Rhode Island Insurance Resource, Education & Assistance Consumer Helpline (RI REACH)
- Develop a long range plan for the department on sustainability as federal funding diminishes
- Catalogue OHIC's work and its value
- Staff: Tarah Provencal (Associate Director of Policy, Planning & Regulation), Linda Johnson (Operations Manager), Sandra Lopes (Grants Manager)
- Target Date: February 2016

Office of the Health Insurance Commissioner

- 2016 Action Items

GOAL 8: Enhance oversight of insurers by conducting market conduct examinations

- Conduct two market conduct exams during FY2016
- Staff: Linda Johnson (Operations Manager), John Garrett (Health Reform Specialist), Tarah Provencal (Associate Director of Policy, Planning & Regulation).
- Target Date: July 2016

Office of the Health Insurance Commissioner

- 2016 Action Items

GOAL 9: Focus on Dental programs to promote quality and increase provider and consumer satisfaction

- Conclude the current audit on Delta Dental and its quality review process and determine needed action.
- Facilitate improvements of relationships with providers
- Staff member responsible: Kathleen Hittner (Health Insurance Commissioner), Linda Johnson (Operations Manager), Tarah Provencal (Associate Director of Policy, Planning & Regulation)
- Target date: January 2016

Office of the Health Insurance Commissioner

- 2016 Action Items

GOAL 10: Work on a process to make co-pays, coinsurance, and deductibles more transparent and less onerous for consumers and providers

- Work with carriers, consumers and providers via the administrative simplification process to streamline and simplify the payment, collection and tracking of these payments
- Convene insurers to develop plan designs which support articulated goals for health care delivery and payment
- Require price transparency standards across insurers
- Staff member responsible: Linda Johnson (Operations Manager), John Garrett (Health Reform Specialist), Sarah Nguyen (Principal Policy Associate)
- Target date: July 2016

Office of the Health Insurance Commissioner

- 2016 Action Items

GOAL 11: Redevelop OHIC website to better serve all who use it

- Redesign the website and maintain the information so it is useful to all who are interested in the information therein
- Explore the potential for using social media to provide education and information for the consumers regarding their health insurance benefits and obligations
- Staff member responsible: Nicole Renzulli (Principal Planning & Program Specialist), Jim Lucht (Informatics Manager).
- Target date: Ongoing

Office of the Health Insurance Commissioner

- 2016 Action Items

GOAL 12: Annually review OHIC regulations to organize, update, clarify

  - Set in place a process to annually review OHIC regulations
  - Staff: Emily Maranjian (General Counsel)
  - Target date: Ongoing

Office of the Health Insurance Commissioner

- 2016 Action Items

GOAL 13: Work collaboratively with other state agencies

- Continue to play a leadership role in the State Innovation Model Grant
- Coordinate policymaking with Medicaid as the Governor's Reinventing Medicaid goals are implemented
- Work with DOH on utilization review and network adequacy
- Better coordinate form and rate review process and plan design activities with HSRI
- Work collaboratively with DBR on insurer solvency
- Coordinate legislative activities with other agencies and the Governor's Office
- Staff: All
- Target date: Ongoing

OHIC Performance Metrics

Objectives	Metric	Baseline	FY16 Target	FY18 Target
Improved Affordability	Average Annual Premium Increase for Small Group Plans (Arithmetic Average Across Insurers)	6.1% (FY 2013-14)	5.0%	4.0%
	Annual Commercial Insured Medical Trend	To be estimated from APCD		
Measurable System Reform	Use of Value-based Alternative Payment Models as Percent of Insured Medical Payments	23.4% (CY 2014)	30% (CY 2016)	45% (CY 2018)
Consumer Protection	Monthly Average of Consumer Assistance Calls & Complaints Managed by Staff	200 (FY2014)	250	275
Guard Insurer Solvency	Average Surplus as a Percent of Revenue (SAPOR) (Arithmetic Average Across Insurers)	17.97% (Through Q3 of FY 2015)	21.50%	21.50%